GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1789
ANSWERED ON:04.08.2005
PROFIT OF ONGC
Chouhan Shri Shivraj Singh;Murmu Shri Hemlal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the profit of Oil & Natural Gas Corporation has declined during the last two years;

(b) if so, the reasons thereof;

(c) whether Oil & Natural Gas Corporation proposes to sign any agreement with American Consultative Company for restructuring the Company; and

(d) if so, the details alongwith the terms and conditions thereof ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYER)

(a) & (b) : The net profit of Oil and Natural Gas Corporation (ONGC) for the last three years is as under:-

Year	Amount (Rs. In Crore)
2002-03	10529
2003-04	8664#
2004-05	12983

= Profit after Tax for the Financial Year, 2003-04 declined by Rs. 1865 Crore in comparison to Financial Year, 2002-03. The primary reason for such decline was sharing of under recoveries of Oil Marketing Companies on PDS Kerosene and LPG for the first time, the net impact of which on net profit was Rs.1596 Crore.

In addition, dry wells cost for the year 2003-04 increased by Rs. 738 Crore due to change in Accounting policy on implementation of Guidance Note on Accounting for Oil and gas producing activity and more expenditure being charged off in Mumbai as deep water dry wells.

(c) ONGC have no plan to enter into a contract with any firm for restructuring the Company.

(d) Does not arise in view of the reply to question (c) above.